

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 0890	Department Secretary of State	Priority No. 004
Budget Request Name 0890-003-BCP-BR-2016-GB		Program 0705-ELECTIONS	Subprogram

Budget Request Description
HAVA VoteCal

Budget Request Summary

The Secretary of State (SOS) entered into an agreement with the U.S. Department of Justice (USDOJ) to develop and implement a statewide uniform, centralized, interactive, and computerized voter registration database in accordance with Section 303 (a) of the Help America Vote Act (HAVA) passed by Congress in 2002. The SOS is implementing a solution that will provide a new HAVA compliant centralized statewide voter registration database and system (VoteCal system), while remediating existing county EMSs to serve as the "front end" for maintaining voter registration information in the central system. The solution will permit county users to use their existing (remediated) data entry screen processes while ensuring that voter registration information is maintained by the VoteCal system in the single, statewide voter registration database. The VoteCal SPR #5 was approved by the Department of Technology (formerly California Technology Agency) on January 10, 2013. The SOS requests \$5.338 million in spending authority in Fiscal Year (FY) 2016/17 from the Federal Trust Fund (FTF) to cover the first year of Maintenance and Operations (M&O) and VoteCal project costs as detailed in the approved SPR #5.

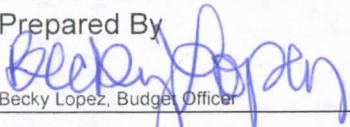


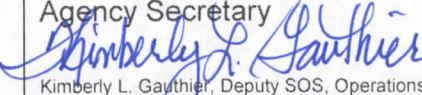
Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Chris Maio, Chief, Information Technology	Date SEPTEMBER 2, 2015
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

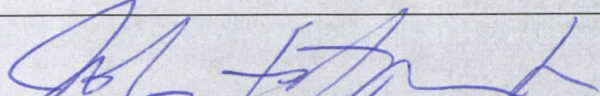
If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By  Becky Lopez, Budget Officer	Date OCTOBER 20, 2015	Reviewed By  Kristin Dagsher, Fiscal Affairs Manager	Date OCTOBER 20, 2015
Department Director  Cindy Hanneman, Chief, Mgmt Svc Div	Date OCTOBER 20, 2015	Agency Secretary  Kimberly L. Gauthier, Deputy SOS, Operations	Date OCTOBER 20, 2015

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA 	Date submitted to the Legislature 11/7/16
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Analysis of Problem

A. Budget Request Summary

The SOS requests \$5.338 million in spending authority for Fiscal Year (FY) 2016/17 from the Federal Trust Fund (FTF) to cover the first year of Maintenance and Operations (M&O) costs of California's new statewide voter registration database, known as VoteCal. The M&O project costs are as noted in the Special Project Report (SPR) # 5 approved on January 10, 2013, to cover the first year M&O after the implementation of VoteCal, in accordance with Section 303(a) of the Help America Vote Act (HAVA).

The VoteCal Project continues to be executed within the schedule and cost allocation outlined in SPR #5 and is anticipated to be the federally mandated, HAVA compliant, single statewide and centralized voter registration system of record by June 30, 2016. The first year of M&O will begin July 1, 2016, and continue through June 30, 2017. The project is successfully executing completion of the testing activities, pilot rollout activities, training activities, organizational change management, and solution implementation.

B. Background/History *(Provide **relevant** background/history and provide program resource history. Provide workload metrics, if applicable.)*

The SOS is responsible for overseeing the administration of California elections. The program to be supported by VoteCal is the registration of voters, administered jointly by the SOS Elections Division and county elections officials. The Elections Division's primary mandate is to ensure that state and federal elections laws are fairly and uniformly administered, that every eligible voter can participate in the electoral process, and that the process remains open and free from fraud. California's voter registration program is fundamental to that effort. Maintaining accurate records of all legally registered voters is critical to ensuring the integrity of all elections conducted in this state. To fulfill the purposes of the voter registration program, the state distributes voter registration cards through many channels, including local advocacy groups, other state and local agencies, and provides online access to registration materials. The SOS also provides online voter registration. County election officials are responsible for:

- Processing voter registration applications

- Verifying voter eligibility

- Notifying voters of their voter registration status

- Updating voter registration records with data received from multiple sources

The information collected and maintained through the voter registration process is used by the county election officials to conduct a wide range of election management activities, including:

- Determining precinct boundaries

- Establishing polling places

- Verifying petition signatures

- Mailing election information to registered voters

- Providing voter information to courts for jury pools

- Qualifying candidates for the ballot

Section 303 of the Help America Vote Act (HAVA) of 2002 (Public Law 107-22, 107th Congress) mandates that each state implement a uniform, centralized, interactive, computerized voter registration database that is defined, maintained, and administered at the state level. This federal law requires the SOS to deploy a Statewide Voter Registration Database (VoteCal System) that is the official statewide voter registration list for all federal elections. This database must contain the name and registration information of every legally registered active or inactive voter in the state.

In 2005, based on delays experienced in fulfilling HAVA requirements, the USDOJ entered into a Memorandum of Agreement (MOA) with the SOS, which approved an interim solution featuring a combination of modifications to the existing statewide voter registration database, plus regulations to achieve HAVA compliance in the near term. The MOA stipulated that the SOS would, as soon as practicable, secure all necessary state approvals for and complete development of a permanent HAVA-compliant solution. As a result, USDOJ, along with other state control agencies serves as "oversight" to the VoteCal project.

Analysis of Problem

Each of the 58 counties has a voter registration system, including procedures and practices, that has evolved over decades of use independently of other counties, and generally independent of the state. HAVA requires a fundamental shift in how elections are managed in California. Implementation of this change requires procedural changes in the election community and will involve significant education and training efforts.

The new state database must serve as the single system for storing and managing the official list of registered voters in the state. Additionally, HAVA mandates that the voter registration system utilize data that is contained in systems at the Department of Motor Vehicles (DMV), the California Department of Public Health (CDPH), and the California Department of Corrections and Rehabilitation (CDCR) for voter identification or verification and list maintenance purposes. The VoteCal system will also interface with the Employment Development Department (EDD) to validate and correct address information against the U.S. Postal Service's National Change of Address (NCOA) system.

The VoteCal Project full deployment is planned for June 30, 2016. System Integration (SI), Election Management System (EMS) remediation, Project Management, Independent Verification and Validation (IV&V), and Independent Project Oversight Consultant (IPOC) services have been acquired and are actively engaged in VoteCal implementation activities. In addition, Testing Services, Organizational Change Management, and administrative support have been acquired and are actively engaged in VoteCal activities to ensure a successful implementation of a statewide voter registration database.

Resource History (Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY
Authorized Expenditures	22,718	11,635	4,374	27,079	21,723
Actual Expenditures	2,800	2,052	2,581	19,170	16,258
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	12.0	12.0	10.0	10.0	10.0
Filled Positions	7.0	9.0	9.0	9.0	7.0
Vacancies	5.0	3.0	1.0	1.0	3.0

Workload History

Workload Measure	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
e.g., Applications Received, Applications Processed, Call Volume, etc.	N/A	N/A	N/A	N/A	N/A	N/A

C. State Level Considerations

VoteCal is being developed in response to a federal mandate and is adequately funded by the FTF for one-time implementation costs and some on-going maintenance. When those funds are exhausted, the State General Fund will be required to support the new statewide voter registration database on an ongoing basis. By implementing VoteCal, the SOS will enable the state to fulfill the MOA with USDOJ. Through this proposal, the SOS is requesting \$5.338 million in spending authority for FY 2016/17 from the FTF, to cover the first year of M&O for the VoteCal system. SOS does not see any impact on other state programs as a result.

D. Justification

The VoteCal Project continues to be executed within the schedule and cost allocations outlined in SPR # 5 and is anticipated to be the federally mandated, HAVA compliant, single statewide and centralized voter registration system of record by June 30, 2016. The first year of M&O will begin on July 1, 2016, and continue through June 30, 2017.

To ensure a successful first year of production of California's new statewide voter registration database, the SOS requests \$5.338 million in spending authority in FY 2016/17 from the FTF to support the first year of VoteCal M&O costs. This amount is consistent with SPR #5 approved on January 10, 2013. FY 2016/17 VoteCal M&O project costs included in this request (in whole unrounded dollars) are as follows:

Analysis of Problem

One-Time IT Project Costs:		
NA	\$0	\$0
Continuing IT Costs:		
Categories	SPR #5 Approved Amount for FY 16/17	Proposed Amount for FY 16/17
Staff (Salaries & Benefits)	\$1,252,799	\$1,252,799
Contract Services		
Hardware License/Maintenance (VoteCal)	\$549,933	\$549,933
Software License/Maintenance (VoteCal)	\$1,237,104	\$1,237,104
Backup/DR	\$307,047	\$307,047
Telecommunications (to counties)	\$690,804	\$690,804
Other expenses		
OE&E	\$137,550	\$137,550
Address Correction Software	\$9,635	\$9,635
Other Staff Overhead - SWCAP	\$125,280	\$125,280
Other Staff Overhead - ICRP	\$651,456	\$651,456
External Agency interface Maintenance	\$376,457	\$376,457
Total:	\$5,338,065	\$5,338,065

E. Outcomes and Accountability *(Provide summary of expected outcomes associated with Budget Request and provide the projected workload metrics that reflect how this proposal improves the metrics outlines in the Background/History Section.)*

All employees and contractors working on this project are required to complete HAVA timesheets, showing how many hours each day are devoted to project activities. Staff assigned to elections will serve as expert resources on election law and registration procedures. They will advise VoteCal users on election-related issues as appropriate. They will also serve as liaisons between project staff and the counties and other stakeholders, as needed. In rolling out the interim solution that is presently in use, there was a need for constant communication between counties and SOS staff on a number of issues. While the interim solution required modifications to existing county systems, many of the processes previously used remained in place, and though county staff required guidance in some areas, most of their existing procedures remained intact. The new database will require more interaction between county and state officials during the first year of M&O as processes normalize. It is likely that counties will adopt new procedures. To ensure quality control and maintain data integrity, increased oversight at the state level will be required throughout this first year of M&O. These employees will be responsible for monitoring progress and reporting problems to project personnel, county personnel and stakeholders. All contracts will be tracked and measured as per state's standard procedures and those identified in the individual contracts. Regular progress reports will be filed with federal authorities and state control agencies as required by HAVA. Both county and state officials will be closely monitoring the entire project during the first year of M&O.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
e.g., Applications Received, Applications Processed, Call Volume, etc.	N/A	N/A	N/A	N/A	N/A	N/A

Analysis of Problem

F. Analysis of All Feasible Alternatives

Alternative 1: Approve \$5.338 million in spending authority for FY 16/17 required to fund the first year of M&O project costs

VoteCal will be fully implemented by June 30, 2016, and is the most effective means of meeting HAVA requirements. The first year of M&O project costs ensures that the VoteCal solution is fully supported during the first year in production and provides the counties and the State of California a successful, stable VoteCal database implementation.

One method to reduce project risk is to reduce unnecessary changes to county business processes. VoteCal is a hybrid solution, allowing county users to continue using their existing data entry screens to add and maintain voter registration records to the VoteCal database. County users will continue to adapt business processes to use common data definitions and code tables established by the state for voter registration information. County business processes will also continue to be adapted to deal with changes to voter registration information that is initiated within the VoteCal database (e.g., assignment of unique identifier, detection of possible ineligible voter). During the first year of M&O, knowledgeable VoteCal project staff will continue to be available to assist county staff.

In order to meet the standards set forth in HAVA in a way that will be user-friendly and cost-effective, the SOS needs spending authorization for the level of funding as set forth in SPR #5 approved January 10, 2013. The VoteCal Project continues to be executed within the schedule and cost allocation outlined in SPR #5. VoteCal is anticipated to be the federally mandated, HAVA compliant, single statewide and centralized voter registration system of record by June 30, 2016. The first year of M&O begins July 1, 2016, and continues through June 30, 2017.

Alternative 2: Do not approve the funding request

Denial of funding for VoteCal would further delay the ability of the state to meet the HAVA requirements under Section 303. Denial of funding for VoteCal could result in the following:

- Result in the State's inability to uphold the SI contract agreement, as well as incurring SI contractor initiated fees and penalties;
- Cause unanticipated challenges and problems for all 58 counties which may significantly damage the continued acceptance of the VoteCal system;
- Result in the State's inability to comply with constitutional obligations, and federal and state law, including the Help America Vote Act (HAVA); and
- Trigger USDOJ legal action against the State.

G. Implementation Plan

The VoteCal project implementation plan follows an incremental or phased approach as proposed by the SI contractor. This approach is designed to minimize deployment risk and be more manageable for the SOS team. This phased deployment requires fewer SOS resources over a longer period of time to support a level deployment effort.

The project is being conducted in phases that SOS has defined as follows:

- Phase I – Planning (completed)
- Phase II – Design (completed)
- Phase III – Development (completed)
- Phase IV – Testing (in progress and on schedule)
- Phase V – Pilot Deployment (in progress and on schedule)
- Phase VI – Full Deployment and Cutover
- Phase VII – First year Operations and Close-out

The VoteCal Project is currently in the testing and pilot deployment phases and full deployment is planned by June 30, 2016. System Integration (SI), Election Management System (EMS) remediation, project management, Independent Verification and Validation (IV&V), and Independent Project Oversight Consultant (IPOC) services are actively engaged in VoteCal activities. In addition, Testing Services, Organizational

Analysis of Problem

Change Management, and administrative support are actively engaged in VoteCal activities to ensure a successful implementation of a statewide voter registration database. VoteCal county support contracts are in place to reimburse county participation in VoteCal implementation activities.

Throughout the remaining phases, the SOS will continue to work closely with county election officials and their staff, EMS vendors, the SI contractor, and state interface partners to develop the VoteCal system, revise the EMSs and to integrate SOS' existing voter registration-related interfaces. Once all California counties are deployed to VoteCal and the public website is launched, California will be fully HAVA compliant.

The SOS will continue to invite county election official participation and will rely on it to ensure the successful deployment of VoteCal. County election officials and their staff receive training on VoteCal and their remediated EMS, and are invited to participate in data conversion, data cleansing, and testing activities. Deployment will occur in such a way as to minimize disruption to the election cycles. Training and materials will be provided to county election offices to explain any changes to business processes as well as to their EMSs.

Project Schedule: The anticipated project schedule is presented below.

Major Milestones	SPR #5 January 2013	Baseline 2 IPS Date	Actual End Date
Complete Planning	December 2013	October 2013	October 2013
Complete Design	May 2014	October 2014	September 2014
Complete Development	March 2015	June 2015	March 2015
Complete Testing	July 2015	October 2015	on schedule
Complete Pilot Deployment	September 2015	December 2015	on schedule
Complete Deployment to all County Election Offices	June 2016	June 2016	on schedule
Complete one year Maintenance and Operations	June 2017	June 2017	on schedule

H. Supplemental Information (*Describe special resources and provide details to support costs including appropriate back up.*)

None.

I. Recommendation

Approve Alternative 1. This alternative allows the SOS to continue with the project as outlined in the SPR # 5 approved on January 10, 2013. It ensures an adequate funding level, recognizing that if there are delays and the need for funds is somewhat delayed, the funds will not be expended, but will be available to be used later in the VoteCal project as needed.

BCP Fiscal Detail Sheet

BCP Title: Help America Vote Act - VoteCal

DP Name: 0890-003-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Earnings - Permanent	0	907	0	0	0	0
Total Salaries and Wages	\$0	\$907	\$0	\$0	\$0	\$0
Total Staff Benefits	0	346	0	0	0	0
Total Personal Services	\$0	\$1,253	\$0	\$0	\$0	\$0
Operating Expenses and Equipment						
5301 - General Expense	0	137	0	0	0	0
5304 - Communications	0	691	0	0	0	0
5340 - Consulting and Professional Services - External	0	2,104	0	0	0	0
5342 - Departmental Services	0	1,028	0	0	0	0
539X - Other	0	125	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$4,085	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$5,338	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0890 - Federal Trust Fund	0	5,338	0	0	0	0
Total State Operations Expenditures	\$0	\$5,338	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$5,338	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
0705 - Elections	0	5,338	0	0	0	0
Total All Programs	\$0	\$5,338	\$0	\$0	\$0	\$0

Personal Services Details

Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4
VR00 - Various	0	907	0	0	0	0
Total Salaries and Wages	\$0	\$907	\$0	\$0	\$0	\$0
Staff Benefits						
5150900 - Staff Benefits - Other	0	346	0	0	0	0
Total Staff Benefits	\$0	\$346	\$0	\$0	\$0	\$0
Total Personal Services	\$0	\$1,253	\$0	\$0	\$0	\$0